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Foreign CROPS AND MARKETS



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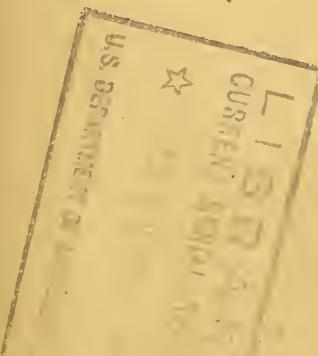
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FOR RELEASE

MONDAY

SEPTEMBER 4, 1950



UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF FOREIGN AGRICULTURAL RELATIONS

WASHINGTON 25, D.C.

L A T E N E W S

The British Ministry of Food recently announced that beginning August 27, 1950, the fresh meat ration would be increased from 1s. 4d. (18.7 cents) to 1s. 6d (21.0 cents) per person per week. Concurrently with this change, the issue of 5 pennyworth (4.7 cents) of canned corned meat per week will cease. The new arrangement, however, reduces the total meat ration from 1s. 8d. (23.3 cents) to 1s. 6d (21.0 cents). The meat ration had been held at 1s. 8d. until June 18 this year when the fresh meat ration was cut by 2d., but the 1s. 8d. was maintained by doubling corned beef.

The increase in fresh meat is attributed to the seasonal increase in supplies made possible by an increase in domestic production, particularly during the next 3 months. Stocks of canned corned beef will be conserved for meeting meat requirements next spring when carcass meat supplies are at the lowest level.

FOREIGN CROPS AND MARKETS

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FORECAST LITTLE CHANGE IN NORTH TEMPERATE ZONE TOBACCO PRODUCTION

Based on preliminary estimates, the North Temperate Zone's harvest of leaf tobacco during 1950 is forecast at 5,100 million pounds, or approximately 1 percent above the revised estimate of 1949 production of about 5,050 million pounds.

The 1950 crop forecast is about 5 percent below the 1948 harvest but 14 percent above the prewar, 1935-39, average. An estimated increase in production for China largely accounts for the slightly larger harvest forecast for 1950. The combined production for all countries, excluding China, would be about the same as in 1949. Since reliable estimates are still unavailable for China and several other important tobacco producing countries, the present forecast is subject to considerable change.

The North Temperate Zone's 1950 production of flue-cured leaf, the principal type entering world trade, is expected to be somewhat above the 1949 output. An increase over the 1949 outturn of flue-cured leaf is expected in the United States, China, and Japan. It is anticipated, however, that a part of the increase in 1950 production in these countries will be offset by smaller crops in Canada and Korea. In the case of Oriental or Turkish-type tobacco, another important type entering world trade, it is estimated that the 1950 harvest will about equal the 1949 output.

The 1950 production of light air-cured types including Burley, which are grown to some extent in most tobacco producing countries, is expected to be somewhat below the 1949 output, primarily as a result of a decline forecast in the production of these types for the United States. The production of dark types, including cigar leaf, may about equal the 1949 outturn.

North America. Canada's 1950 tobacco crop is unofficially estimated at approximately 114 million pounds, or about 18 percent below the 1949 harvest of almost 140 million pounds. The area planted to tobacco was about the same as in 1949, but a decline from the high 1949 yield is expected. The indicated 1950 crop is 10 percent below the 1948 harvest, but still almost 50 percent above the 1935-39 average of about 77 million pounds.

The United States crop of all types was forecast as of August 1 at 1,933 million pounds, compared with the 1949 harvest of 1,970 million pounds and the prewar, 1935-39, production of 1,460 million pounds. The 1950 indicated production of flue-cured leaf of 1,146 million pounds is about 3 percent above the 1949 harvest of 1,115 million pounds. A decline of 12 percent is forecast for fire-cured leaf, 11 percent for Burley, 10 percent for Maryland, and 5 percent for dark air-cured. An increase of 4 percent is forecast for cigar leaf.

TOBACCO: Acreage, yield per acre, and production in specified north temperate zone countries, average 1935-39, annual 1946, 1949 and 1950

Continent and Country	Acreage			Yield per Acre 1/			Production				
	Average 1935-39	1946	1949 2/	Average 1935-39	1948	1949 2/	Average 1935-39	1948	1949 2/	1950 2/	
	1,000 acres	1,000 acres	1,000 acres	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	
NORTH AMERICA:											
Canada	69	111	110	1,103	1,145	1,282	1,036	76,555	126,629	139,820	
United States	1,649	1,656	1,630	1,596	887	1,274	1,209	1,211	1,460,054	1,981,272	1,970,276
Estimated total 3/	1,716	1,666	1,740	1,706	-	-	-	1,356,610	2,107,901	2,110,196	2,046,611
EUROPE:											
Albania	5	-	-	-	826	-	-	4,082	-	-	
Belgium	6	4	3	-	2,500	1,571	2,079	16,451	6,314	6,971	
Bulgaria 4/	94	-	14	-	809	-	-	75,871	44,000	-	
Czechoslovakia 4/	5/	15	75	15/	1,288	1,300	1,3145	19,865	17,684	-	
France	44	64	75	75	1,676	1,665	1,228	72,995	106,597	92,031	
Germany 4/	35	22	23	32	2,254	1,450	2,215	74,355	32,000	51,000	
Greece 4/	226	177	199	219	589	456	576	132,819	80,664	114,778	
Hungary 4/	47	53	53	-	1,238	1,076	-	45,872	50,706	-	
Italy 4/	81	144	135	138	1,173	1,138	980	95,511	164,077	132,461	
Poland 4/	17	36	35	59	1,664	1,358	1,262	28,566	47,930	43,651	
Rumania 4/	44	69	-	-	647	556	-	28,697	37,059	-	
Spain	-	22	22	-	-	1,405	1,326	17,522	30,664	29,136	
Sweden	1	1	1	-	1,735	1,539	1,459	1,061	974	902	
Switzerland	1	2	2	-	1,571	1,582	1,750	-	2,276	3,654	
Yugoslavia 4/	39	-	-	-	969	-	-	37,410	62,000	65,000	
Estimated total 3/	680	790	840	890	-	-	-	675,000	700,000	740,000	
U.S.S.R.	5/	490	-	-	15/	1,129	-	-	15/	525,000	
ASIA:											
Iran	32	35	52	-	1,096	628	776	34,542	22,262	24,912	
Iraq	11	11	-	15/	752	802	-	15/	8,057	8,818	
Lebanon 6/	5/	5	5	15/	699	634	495	-	3,197	2,568	
Syria 6/	13	13	15	15/	661	653	534	15/	8,825	-	
Turkey 6/	194	262	469	314	622	464	640	128,505	162,986	174,940	
China 4/	1,228	1,529	1,200	-	1,021	1,042	1,000	1,234,539	1,593,169	1,200,000	
Japan	92	125	124	127	1,621	1,730	1,510	1,600	148,650	218,256	
Korea 4/	46	38	49	49	1,252	1,199	1,428	1,235	57,504	145,882	
Estimated total 3/	1,675	2,080	1,980	1,880	-	-	-	1,700,000	2,125,000	1,775,000	

AFRICA:										
Algeria	56	51	60	-	691	843	675	38,667	42,990	40,565
Tunisia	1	2	3	-	1,196	1,186	714	1,202	2,618	2,469
Estimated total 3/	58	55	65	65	-	-	-	40,600	48,000	46,000
Estimated north temperate zone total 3/	4,619	5,110	5,150	5,070	-	-	-	4,478,000	5,365,000	5,100,000

1/ Some yields are calculated from detailed acreage and production estimates rather than estimates rounded to the nearest thousand. 2/ Preliminary. 3/ Totals include approximations for countries not listed and for countries listed where data are not available. 4/ Data for 1935-39 not comparable with subsequent years. Data for 1948, 1949, and 1950 are for postwar areas. In the case of Germany, data for 1948, 1949, and 1950 are for Western Germany only. For Korea, postwar data are for South Korea only. In the case of China, postwar data are for all China except Manchuria, 1935-39 data are for Free China only. 5/ Less than a 5-year average. 6/ Separate data for Syria and Lebanon not available for 1935-39.

Europe. The 1950 production of tobacco in Europe, excluding the Soviet Union, is estimated at about 6 percent above the 1949 harvest. Increases over 1949 are reported for Bulgaria, France, Western Germany, Greece, and Italy. Little change from the 1949 level of production is now anticipated in most other European tobacco growing countries. The total 1950 production for Europe is estimated at 740 million pounds from 890,000 acres, compared with the 1949 production of about 700 million pounds from 840,000 acres and the prewar, 1935-39, average of 675 million pounds from 680,000 acres.

Soviet Union. Authentic information on tobacco production in the Soviet Union in recent years is not available, but rough estimates indicate an output in 1950 about 5 percent above 1949 but still approximately 15 percent below the prewar average production of around 525 million pounds.

Asia. Reliable estimates of China's 1950 production are unavailable, but fragmentary reports indicate a tobacco crop somewhat above 1949 but still over 20 percent below the large 1948 harvest of 1,593 million pounds. Japan's 1950 crop is also expected to be above the 1949 harvest, but the estimated production for Korea is below 1949. Turkey's 1950 crop is forecast at approximately 200 million pounds, or 7 percent below the revised estimate for 1949 of 215 million pounds. For other Asia Minor countries, including Iran, Iraq, Syria and Lebanon, which produce tobacco somewhat comparable in type to Turkish leaf, 1950 harvests are generally expected to equal approximately 1949 productions. For all the temperate zone of Asia, 1950 harvests are estimated at 1,820 million pounds from 1,880,000 acres. This compares with 1,775 million pounds from 1,980,000 acres in 1949 and the prewar, 1935-39, average of 1,700 million pounds from 1,675,000 acres.

Africa. The 1950 production of tobacco in the North Temperate Zone countries of Africa is estimated to approximately equal the 1949 output. The combined production of Algeria, Morocco, and Tunisia is estimated at 46 million pounds from 65,000 acres, or the same as for 1949. This compares with the 1935-39 average of about 41 million pounds from 58,000 acres.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. It is based in part upon reports of U. S. Foreign Service Officers in the countries referred to.

WORLD FILBERT PRODUCTION SMALLEST SINCE 1945 1/

The 1950 preliminary estimate for filbert production in Italy, Spain, Turkey, and the United States, the leading commercial producing countries, is 97,590 short tons, unshelled basis, compared with 159,340 tons in 1949 and 102,340 tons in 1948. The estimate is about 8 percent below the 10-year (1939-48) average of 105,770 tons and 14 percent below the 5-year (1944-48) average of 113,910 tons. It is the smallest estimate since 1945 and follows the second largest production on record. The preliminary forecasts of July 17 for Italy and Turkey have been revised downward while that for Spain remains the same and the United States shows a slight increase.

The growing conditions this season for the 4 countries as a whole were somewhat spotted. Italy perhaps enjoyed the best growing conditions of the group. The conditions in Spain were good until the drought of the past 2 months caused a heavy drop. In Turkey and the United States the previous year's crops were record ones and weather during the current season was adverse. In Turkey in addition to adverse weather experienced, severe insect damage further reduced an already light set to the point where this year's harvest is one of the smallest in the past quarter of a century.

The 1949-50 season came to a close with an estimated 5,600 short tons unshelled basis remaining from the 1949 harvest. This may be compared with the 8,000 tons a year earlier. The carry-over this year is distributed about as follows: Turkey, 1,400 tons; Spain, 1,200 tons; and Italy, 3,000 tons. This small carry-over offers no serious problem and should be worked off early in the new marketing season.

The 1949-50 marketing year was the most successful in the postwar period for the 3 Mediterranean Basin countries from the standpoint of tonnage moved. Turkey exported more filberts than the estimated 1950 production and set perhaps an all time high record. All 3 countries exported more than during the previous year. The United Kingdom, Germany, France and Switzerland were the principal buyers. The United States was a relatively unimportant outlet for filberts during the season. Prices for the season were at times unsatisfactory but probably were the reason for the large export volume during the year. The biggest other boost to the market was the reentry of Germany as a buyer.

The 1950-51 export season now starting is expected to be active for Turkey where it now appears the entire crop can be sold at very high prices before the end of the year. The official export prices and policy should be available soon. Italy probably will be this season's principal source of supply, if its growers take advantage of a good export business that can be had at reasonable prices this season. The

1/ This forecast of filbert production is based in part upon a first-hand study conducted by W. R. Schreiber, agricultural economist, under the Research and Marketing Act Program, U. S. Department of Agriculture. It is also based in part upon U.S. Foreign Service reports.

FILBERTS, unshelled: Estimated production in specified countries,
1950 with comparisons

(Foreign production rounded to nearest 100 short tons)

Year	Italy	Spain	Turkey	Mediterranean Basin	United States	World total
				total	unshelled	
Average						
1939-48	20,800	22,600	56,400	99,800	5,970	105,770
1944-48	24,200	24,300	58,300	106,800	7,110	113,910
Annual						
1944	21,300	38,000	52,800	112,100	6,520	118,620
1945	15,700	18,000	33,000	66,700	5,320	72,020
1946	47,800	18,200	90,000	156,000	8,450	164,450
1947	9,900	33,000	60,500	103,400	8,800	112,200
1948	26,400	14,500	55,000	95,900	6,440	102,340
1949 1/	32,700	16,500	99,000	148,200	11,140	159,340
1950 1/	2/ 37,400	27,500	2/ 26,700	2/ 91,600	2/ 5,990	2/ 97,590

1/ Preliminary.

2/ Revised.

Office of Foreign Agricultural Relation. Prepared or estimated on the basis of official statistics of foreign governments, reports of U.S. Foreign Service officers, results of office research and other information.

UNITED STATES: Imports, for consumption, of shelled and unshelled filberts

(Crop year, September-August)

Year	Italy	Spain	Turkey	Other countries	Total
	Short tons	Short tons	Short tons	Short tons	Short tons
SHELLED					
<u>Average:</u>					
1939-40/1948-49.....	69	191	1,966	27	2,253
1944-45/1948-49.....	79	240	3,632	45	3,996
<u>Annual:</u>					
1943-44.....	0	559	17	0	576
1944-45.....	0	1,191	2,989	0	4,180
1945-46.....	178	6	4,231	180	4,595
1946-47.....	133	1	4,921	5	5,060
1947-48.....	39	0	2,398	11	2,448
1948-49.....	43	0	3,623	30	3,696
1949-50 1/.....	35	37	2,744	45	2,861
<u>UNSHELLED</u>					
<u>Average:</u>					
1939-40/1948-49.....	280	31	1	0	312
1944-45/1948-49.....	402	61	1	0	464
<u>Annual:</u>					
1943-44.....	0	6	0	0	6
1944-45.....	0	16	0	0	16
1945-46.....	361	220	8	0	589
1946-47.....	1,600	69	0	0	1,669
1947-48.....	3	0	0	0	3
1948-49.....	44	0	0	0	44
1949-50 1/.....	15	0	0	0	15

1/ 10 months, September through June.

Compiled from official records of the Bureau of the Census.

UNITED STATES: Exports of filberts for consumption 1/
(Crop year, September-August)

Year	Mexico	Cuba	Argentina	Canada	Other	Total
	Short tons					
<u>Average:</u>						
1944-45/1948-49-:						
1944-45/1948-49-:	9	133	12	69	48	271
<u>Annual:</u>						
1943-44.....	17	84	0	101	15	217
1944-45.....	2	101	0	120	35	258
1945-46.....	3	97	0	21	28	149
1946-47.....	12	158	52	45	23	290
1947-48.....	28	145	6	155	132	466
1948-49.....	1	162	0	4	27	194
1949-50 2/.....	0	188	0	6	41	235

1/ Unclassified as to shelled and unshelled. Included in "other" nuts before 1943. 2/ 10 months, September through June.

Compiled from official records of the Bureau of the Census.

growers are reported to be worried about the world political situation and, as usual, prefer filberts to cash in times of stress. Spain at one time was expected to enjoy a good export year with most of the controls removed but these hopes were blasted, for the time being at least, by the official announcement of part of the new season's regulations on August 5. On basis of these announcements it appears that business in filberts will be just as difficult, if not more so, than during the 1949-50 season. At present one can only await the remainder of the regulations and official policy with regard to prices to see if export business can be carried on in competition with Italy and Turkey.

The present uncertainty of the world political situation could completely upset all present market analysis. It is obvious that foreign filbert prices will be higher than those of the 1949-50 season. Germany and the United Kingdom probably will be the principal buying countries followed by other Western European countries. The United States is not expected to be an important outlet this season for Turkish shelled kernels unless importers pay higher prices.

COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS AND FEEDS

ARGENTINE 1949-50 GRAIN EXPORTS SLIGHTLY LARGER THAN IN 1948-49

Argentine grain exports during the 12-months period, July-June of 1949-50, amounted to 4,324,000 metric tons compared with 3,953,000 metric tons during 1948-49, an increase of 9.4 percent. Exports of wheat, rye and oats were substantially larger than a year earlier but those of corn and barley were much lower.

All Argentine grain exports are controlled by the Argentine Trade Promotion Institute which buys the grain from producers at fixed prices, and exercises a monopoly over subsequent sales in both the domestic and export market. In recent years, the country's grain exports have been largely on a bilateral or Government-to-Government basis, frequently involving deliveries of specified quantities of Argentine grain in exchange for Argentine imports of specified quantities of raw materials and industrial products from the other party to the Agreement.

On the basis of total tonnages exported, the principal destinations of Argentina's grain exports during 1949-50 were Brazil, Italy, France, the United Kingdom, India, Germany, Belgium, Japan, Switzerland, the Netherlands, Sweden and Spain. Approximately 55 percent of the 1949-50 exports consisted of wheat and about 29 percent of corn. During 1948-49, wheat represented about 42 percent of the total export movement and corn 47 percent.

Argentina's marketing season extends from December 1 to November 30 for wheat, and from April 1 to March 31 for all other grains. The July 1 total supply of old crop wheat still on hand in Argentina for export or for carry-over into the new season beginning December 1 was estimated at 1,083,000 metric tons. Indications at that time were that remaining supplies would fall short of meeting export commitments still remaining to be filled before the end of the season by approximately 300,000 tons.

Argentine Exports of Grain During 1948-49 (July-June)

Destination	Bread grains		Coarse grains			Total all grains
	Wheat	Rye	Corn	Oats	Barley	
	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons	
Austria.....	-	-	-	-	-	-
Belgium.....	8,928	15,650	170,031	29,371	83,147	307,127
Denmark.....	-	-	9,769	-	15,500	25,269
Finland.....	-	6,000	-	-	-	6,000
France.....	-	-	32,103	-	1,687	33,790
Germany.....	-	-	144,357	-	-	144,357
Ireland.....	-	-	5,418	-	-	5,418
Italy.....	520,325	-	57,856	770	-	578,951
Netherlands.....	-	-	157,494	1,500	31,516	190,510
Norway.....	-	-	-	5,000	-	5,000
Portugal.....	-	18,144	519	-	-	18,663
Spain.....	383,310	27,449	71,532	-	1,369	483,660
Sweden.....	-	-	35,499	11,620	5,819	52,938
Switzerland.....	-	-	8,682	13,376	7,625	29,683
United Kingdom....	-	-	1,058,606	-	117,133	1,175,739
United States....	-	-	-	-	-	-
Barbados.....	-	-	302	-	-	302
Brazil.....	291,917	-	-	-	-	291,917
Chile.....	-	-	-	-	-	-
Paraguay.....	21,263	-	-	-	-	21,263
Peru.....	36,053	-	-	-	-	36,053
Uruguay.....	-	-	2,985	4,050	-	7,035
India.....	384,890	-	50,000	-	43,589	478,479
Japan.....	-	-	28,381	-	-	28,381
Egypt.....	-	-	20,999	-	-	20,999
Union of So. Africa	-	-	-	7,710	-	7,710
Fr. Morocco.....	-	-	4,000	-	-	4,000
Canada.....	-	-	-	-	-	-
Total.....	1,646,686	67,243	1,858,533	73,397	307,385	3,953,244

Compiled from unofficial trade sources.

ARGENTINE Exports of Grain During 1949-50 (July-June)

Destination	Bread grains			Coarse grains			Total all grains
	Wheat	Rye	Corn	Oats	Barley		
	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons		
	:	:	:	:	:	:	
Austria.....	-	814	-	-	-	-	814
Belgium.....	7,150	13,536	219,125	26,995	1,885	268,691	
Denmark.....	-	21,048	-	18,509	-	-	39,557
Finland.....	15,200	-	-	-	-	-	15,200
France.....	10,484	-	369,250	-	20,000	399,734	
Germany.....	144,561	62,689	-	30,226	35,341	272,790	
Ireland.....	-	-	-	7,570	-	-	7,570
Italy.....	348,035	21,140	40,675	35,231	-	-	445,081
Netherlands....	18,695	-	155,742	8,272	22,584	205,293	
Norway.....	-	52,461	-	6,791	-	-	59,252
Portugal.....	38,541	20,400	4,719	5,000	-	-	68,660
Spain.....	108,603	61,437	13,405	-	-	151	183,596
Sweden.....	48,474	1,400	78,054	10,706	-	-	138,634
Switzerland....	46,020	100	44,385	82,687	41,256	214,448	
United Kingdom:	-	-	282,332	-	-	-	282,332
United States:	-	-	-	39,024	-	-	39,024
Barbados.....	-	-	-	-	-	-	-
Brazil.....	996,018	-	-	100	-	-	996,118
Chile.....	20,245	-	-	-	-	-	20,245
Paraguay.....	34,835	-	-	-	-	-	34,835
Peru.....	26,987	-	-	-	-	-	26,987
Uruguay.....	100	-	36,589	1,812	-	-	38,501
India.....	340,623	-	-	-	-	654	341,277
Japan.....	176,005	-	-	-	-	26,218	202,223
Egypt.....	-	-	-	-	-	-	-
Union of So. Africa.....	-	-	-	-	-	-	7,063
Fr. Morocco....	-	-	-	-	-	-	-
Canada.....	-	-	-	16,184	-	-	16,184
Total.....	2,380,576	255,025	1,244,276	296,170	148,062	4,324,109	

Compiled from unofficial trade sources.

Revised estimates place the total supply of corn for the current Argentine marketing year (April 1950 through March 1951) at only 1,907,000 metric tons. The crop, harvested in the spring and early summer of this year, amounted to only 1,300,000 tons because of the severe drought, and the April 1, 1950 carry-in was placed at 607,000 tons. Allowing 1,383,000 tons to cover seed, industry and feed needs and 100,000 tons for shrinkage and loss, the total quantity available for export this season, or for carry-over into the 1951-52 season, amounted to only 424,000 tons. Of that quantity, approximately 384,000 tons were exported from April 1 to July 31. Further export sales have been suspended because of short supplies.--By Leo J. Schaben.

(Continued on Page 212)

FATS AND OILS**HAMBURG OIL MILL INDUSTRY
REPORTS CRITICAL CONDITIONS**

The struggle of the Hamburg oil mill industry to regain a measure of its prewar eminence marks one of the significant chapters in the post-war reconstruction of Germany. The crushing capacity of the German oil mills before World War II was more than 2.5 million tons of oilseeds annually. In some prewar years, as much as 90 percent of the fats and oils imports were in the form of oilseeds and only about 10 percent as oil--mainly fish and whale oils which were admitted duty free. Immediately before the war, imports were about 70 percent oilseeds or other oil bearing materials and 30 percent crude oil. With this vast industry, Germany processed most of the oil acquired for its domestic market and re-exported large quantities of oils to other parts of the world, retaining the oil cake and meal for dairy cattle.

With the outbreak of the war imports of oilseeds were mainly shut off by the blockade and subsequently about 50 percent of the milling facilities were either completely destroyed or severely damaged by military action. Since the war, particularly in the past 2 years, many of the damaged plants have been partially or wholly restored and the oil mill capacity in the Federal Republic is now reported to be back to nearly 2 million tons of seeds per year. But seeds have not become available for crushing in the anticipated quantities. Recently the mills have been operating at only 20 to 30 percent of capacity and the economic existence of this important industry is again seriously threatened.

To obtain the current views of the oil mill trade in respect to its plight, J. M. Perry, Vice Consul, American Consulate General, Hamburg, recently interviewed all the leading oil mill operators in the Hamburg area. Hamburg is the center of the German edible oil industry and the Hamburg-Harburg mills are said to have a reconstructed capacity of about 750,000 tons of seeds per year. (The other large oil milling center is in the Rhineland where mainly technical oils are processed and this area now probably exceeds Hamburg in importance.)

All the milling interests claimed that conditions in the industry were extremely critical and that it could not survive unless conditions improved soon. One Hamburg mill was forced to close down temporarily and others had closed sections of their plants, dismissing employees and reducing working hours. In general, all claimed to be suffering from the lack of raw materials since the beginning of 1950.

The oil millers explained that the basic cause of their present difficulties was the fact that during World War II the major exporting countries had greatly expanded their crushing facilities. Argentina was cited as an example. Consequently exporting countries are interested

in selling oil rather than oil-bearing seeds. Also, smaller supplies have been entering international trade with the loss of Manchurian soybeans and Indian peanuts. So the German oil mill industry, at best, has been attempting to recover under fundamentally unfavorable conditions.

Moreover, the mill operators claimed that German Governmental policies and programs had worked against the best interests of the mills. They generally agreed that the German price control system favored the importation of fats and oils rather than oilseeds. They said the world market prices for most oilseeds were considerably higher than German millers were permitted to pay, and the import equalization law took away any grains from low cost purchases. With the suspension of price controls and the equalization tax on June 30, the situation has improved somewhat. At the moment, millers are in a position to make higher profits and the harvesting of the German rapeseed crop, together with the importation of some 25,000 tons of rapeseed from Sweden's greatly expanded crop and other imports under liberalized trade, have eased the pressure for raw materials. One mill is presently extracting oil from Turkish cottonseed, Straits copra, and Malayan palm kernels. However, another plant of the same company is idle because it was designed to process mainly soybeans, and none of which are available. Perhaps the greatest single blow to the Hamburg mills was the failure to receive more than 300,000 tons of United States soybeans as anticipated during 1949-50. Only about 75,000 tons had been received through March 1950, and the balance of the program has been mostly filled with lard and crude soybean oil. The cancellation of the soybeans as the greatest import of oilseeds in sight brought forth bitter protests from the oil mill trade.

In the meantime, the German oil millers are aggressively seeking raw materials in all corners of the world where trade is open to them. Altogether, a fairly large volume of seeds may be assembled and only time will tell the ultimate economic success of the industry.

SWEDEN'S OILSEED ACREAGE REACHES NEW HIGH

Sweden's oilseed acreage for 1950 harvest is believed to have reached a new high, according to Georg Frostenson, American Embassy, Stockholm. Abandonment resulting from frost and insect damage reduced the fall rapeseed plantings to 163,000 acres. The spring-seeded oil-crop acreage may have reached 222,390 acres of which around 98,840 acres were flaxseed. Thus the total area for harvest exceeded 385,000 acres against 356,000 in 1949.

Reductions in the Government's guaranteed prices to farmers for the 1950 crop were announced well ahead of the fall seedings to discourage further acreage increase. The price cuts, however, are believed to have been insufficient to check the increase. In spite of considerable damage in certain years, farmers continue to produce fall-seeded rape because oil production from fall rape is almost twice as high as for spring-seeded rape and nearly 3 times as high as for white mustard.

GUATEMALA'S PRODUCERS OF EDIBLE OILS AND
ANIMAL FATS PRESSED BY U.S. COMPETITION 1/

Guatemalan producers of edible oils and animal fats have felt keenly the competition of low-priced lard imported from the United States in the last 10 months. Consequently, efforts have been made by the Guatemalan trade to protect their domestic market.

Subsequent to a series of articles in the press in September strongly urging such protection, a request for an increase in duty on hog lard was made of the Guatemalan Government in November 1949 by one edible-oils firm in Guatemala. Because its factory was unable to compete with United States lard, this firm requested that an exception be made to this item in Schedule I of the Guatemalan-United States Trade Agreement.

It was hoped in some quarters of the trade that the Guatemalan Congress, which convened in regular session in March, would raise the general import duties on fats and oils. The American Embassy pointed out, however, that any such action could not apply to imports from the United States so long as the Reciprocal Trade Agreement with the United States was in effect.

Another result of the situation was a meeting to discuss the lard import problem held on July 5, 1950 at the office of the Guatemalan Directorate General of Commerce, Industry and Controls (DGCIC). Various Government officials and industry members were present. Inasmuch as domestic production of lard was conceded to be inadequate to meet domestic demand--with domestic lard being priced higher than imported lard--it was suggested that an import quota for lard be established. There have been no further developments reported.

Tallow produced in Guatemala was given protection--believed to be for a temporary period only--against lower-priced imports by the provisions of a Ministerial Resolution published February 6, 1950, effective immediately. The Resolution provided that purchases of domestic tallow should be made at the rate of 50 percent of imports. The purpose of this was to maintain the market for domestic producers of tallow and increase the return to slaughterers who had been asking for higher meat prices. In this manner it was hoped that the granting of higher meat prices might be avoided. Domestic tallow also was priced above that produced in the United States.

Exports of hog lard from the United States to Guatemala in the first 6 months of 1950 totaled 1,294 short tons. This quantity, and the 2,612 tons exported in 1949, was abnormally large inasmuch as the volume exported to Guatemala in the prewar (1935-39) period averaged only 198 tons and in none of the other postwar years did it exceed the 270 tons exported in 1946.

1/ Based largely on reports by Gilbert E. Larsen, Economic Attaché, Philip M. Davenport, former Agricultural Attaché, and Douglas M. Crawford, present Agricultural Attaché, American Embassy, Guatemala City.

Guatemala's foreign trade in fats and oils products consists almost entirely of an inward flow of raw materials to supplement the deficient domestic production. The United States supplied 98 percent of the lard imported in 1949. In addition to supplying 96 percent of the inedible tallow, the United States was the leading supplier of butter, industrial oils, shortening, and soap. The neighboring countries of Honduras, Salvador, and Nicaragua supplied Guatemala with small quantities of sesame oil and other edible oils. Guatemala's exports--rarely exceeding 25 tons of any one item--consist mainly of vegetable oils, waxes, and soap. Peanuts have been exported in small quantities, too. Occasionally, sesame has moved in fairly large volume. Although there were no exports of sesame in 1949, shipments in 1948 totaled 1,417 short tons.

The recent marked rise in prices for United States lard and tallow since the beginning of hostilities in Korea, may have eased somewhat the pressure on Guatemalan producers of edible fats and oils.

VENEZUELAN HOG LARD IMPORTS TIED TO PURCHASE OF VEGETABLE LARD

Venezuela's imports of hog lard, under the recently-established annual quota announced late in June (see Foreign Crops and Markets, July 17, 1950), will be contingent upon purchases by importers of domestically-produced vegetable lard, according to a report from James H. Kempton, Agricultural Attaché, American Embassy, Caracas.

Importers in Venezuela who are granted import licenses for hog lard up to December 31, 1950--roughly the first half year the quota is in effect--will be compelled to buy 3 units of domestic vegetable lard for each unit of hog lard authorized to be imported. Purchases of vegetable lard must take place between August 16 and December 31, 1950.

The National Supply Commission of Venezuela recently published the following advertisement regarding hog lard imports:

"The National Supply Commission will distribute the importation of 2,250,000 kilograms (2,480 short tons) of North American hog lard that correspond to the quota for import up to December 31, 1950 among the regular dealers in local and imported lard.

"The requests must be sent to the National Supply Commission before the 25th day of the present month.

"In granting licenses the National Supply Commission will entertain suggestions of those representatives authorized by Industry and Commerce.

"The beneficiaries of these licenses will be obliged to purchase from national sources 3 units of vegetable lard for each unit of hog lard authorized for importation. The purchases

of local vegetable lard must be effected within the period of August 16, 1950 and December 31, 1950, and the proof of the purchase must be made by means of the cancelled bills of sale from the national factories presented in duplicate to the Commission. The bona fide nature of the sales will be duly checked."

INDIA ANTICIPATES SMALLER PEANUT ACREAGE; AVERAGE CASTOR AND SESAME ACREAGES

India's 1950-51 peanut acreage is expected to be considerably smaller than in 1949-50, but castor and sesame acreages may approximate the averages of the past few years, according to R. Narayana Iyer, American Consulate General, Madras. Preliminary unofficial estimates indicate that approximately 8,700,000 acres were planted to peanuts, or 10 percent less than the last season.

It is understood that the Central Government's plans for increasing cotton production involved the shift of about 1,000,000 acres from peanuts to cotton in the States of Bombay, Saurashtra, Madhya Pradesh, Hyderabad and Madras. Officials in these states have encouraged the planting of cotton instead of peanuts, and in Madhya Pradesh, the State Agricultural Department is reported to have discontinued short term loans for the purchase of peanut seed. Although the entire 1 million-acre shift may not have materialized, between 500,000 and 600,000 acres are believed to have been shifted to cotton. State Agricultural Departments of all the producing areas suggested that growers intercrop cotton with peanuts in areas where these crops are planted about the same time. This would probably reduce the yield of peanuts slightly, but the additional cotton obtained would more than compensate for the loss in peanut output. Under this project another 200,000 acres of peanuts would be lost.

Additional factors in favor of cotton were the Government's decision to raise cotton prices for the next season and the late monsoon. Because of the price increase peanuts and cotton are reported to be equally profitable. The late monsoon was expected to decide the issue in favor of cotton in certain areas because late plantings affect the peanut more than the cotton output.

Various sources in Madras have discounted the possibility of peanut growing areas being diverted to cotton in that State. Furthermore, an increased area under peanut cultivation was expected in 1950-51 due to the particular adaptability of peanuts to local conditions.

No estimates have been reported yet for the castor and sesame acreages. Unofficial sources expressed the hope that the castor area would remain at around 1,400,000 acres, the approximate average of the past few years. The sesame area appears to have stabilized around 4,600,000 acres the past 2 years. Plantings are believed to have been about 4,650,000 acres for the 1950-51 crop.

CHINA'S RAPESEED PRODUCTION MAINTAINS 1949 LEVEL

China's 1949-50 rapeseed crop is tentatively estimated at about the same as the 3.4 million short tons (unofficial estimate) produced in 1948-49, reports Y. Tung of the American Consulate General, Hong Kong. Rapeseed acreage is believed to have declined in the winter of 1949 after the expansion in the years during and after World War II.

This decline may be attributed to several factors: (1) The Communist authorities conducted a strenuous campaign to increase wheat plantings last winter. Large quantities of seed were loaned to farmers by Government agencies and quotas of wheat acreage were announced for each district. (2) The demand for rapeseed was relatively weak because Manchurian soybeans were supplied to large oil mills by the Government. (3) There was a general decline in demand for edible oils including the demand for exports.

The decline in acreage, however, is believed to have been counterbalanced by higher yields resulting from better weather conditions than in the previous season.

MANCHURIA EXPECTS INCREASE IN SOYBEAN PRODUCTION

The official plan for Manchuria's 1950 soybean crop called for 117.2 million bushels from 75 million acres, according to Y. Tung of the American Consulate General, Hong Kong.

Last year's production of 66.0 million bushels was probably the smallest in several decades. Drought in the northern part of the country and floods in the south greatly reduced the yield per acre.

Manchuria produced an average of 150 million bushels of soybeans in the late 1930's but has not since reached that level.

U.K. DISCONTINUES SOAP RATIONING

The United Kingdom's Ministry of Food has announced that soap rationing will be discontinued beginning September 10, 1950. This action is made possible by an increase in the fat supply. The Minister stated that control of soap prices and raw materials would continue but indicated that manufacturers of soap were not objecting to these controls.

There is some concern among large producers of synthetic detergents as to the effect derationing of soap will have on the sale of detergents since soap is cheaper. However, because of the suitability of the detergents for use in hard water and in certain industrial processes it is expected that the demand will be maintained.

TROPICAL PRODUCTS**BRAZIL'S EXPORTABLE COFFEE
SUPPLY SHRINKING**

The total supply of coffee for export from Brazil during the 1950-51 crop year (July 1 to June 30) is estimated at about 19.8 million bags by Robert B. Elwood, American Embassy, Rio de Janeiro. This consists of port and visible interior stocks of 5.8 million bags carried over from 1949-50 and an Embassy forecast of 14.0 million bags for export from the 1950 harvest now nearly completed. If normal port working stocks of 3.0 million bags are maintained, less than 17.0 million bags may be available for export during 1950-51. Exports of coffee from Brazil reached a peak of 19.4 million bags in the calendar year 1949.

Brazil's exportable supply of coffee for 1950-51 is nearly 3.0 million bags smaller than the exportable supply of about 22.7 million bags for 1949-50. The 1949-50 estimate includes port and visible interior stocks of about 7.6 million bags carried over from 1948-49 and a revised Embassy estimate of 15.1 million bags available for export from the 1949 harvest. Since World War II, world coffee consumption has exceeded production, and the difference has been supplied largely from coffee stocks in Brazil. Brazil's visible coffee stocks declined from around 16.8 million bags on July 1, 1945 to approximately 5.8 million bags on July 1, 1950.

Coffee is harvested in Brazil from May to September. The 1950 harvest is officially estimated at 14.2 million bags "exportable quantity". This is actually a forecast of the amount of coffee which will be despatched from farms to ports during 1950-51, and it includes approximately 1.1 million bags which will be consumed in port cities or shipped to other parts of Brazil for domestic consumption. Based on the official estimate, the 1950 harvest would provide about 13.1 million bags for export. The Embassy forecasts that the 1950 harvest will supply about 15.1 million bags for despatch from farms to ports, providing 14.0 million bags for export.

Trade sources indicate that the quality of the coffee from the 1950 harvest is unusually good. The weather continued dry in July, and good progress was made with harvesting. In Sao Paulo, rain was below normal from May through July, but the trees have remained in fairly good condition because of accumulated soil moisture resulting from abundant rain during the first quarter of the year. Good rains fell in southern Sao Paulo and northern Parana during early August, but the remainder of Sao Paulo and the other producing states need rain.

Brazil exported 17.0 million bags of coffee in 1949-50 valued at about 690 million dollars compared with exports of 17.7 million bags in 1948-49 valued at approximately 495 million dollars. Shipments to the United States declined from 11.9 million bags in 1948-49 to 10.7 million

bags in 1949-50, while shipments to Europe increased from 3.9 million bags in 1948-49 to 4.6 million bags in 1949-50. Exports to all other destinations decreased from 1.9 million bags in 1948-49 to 1.7 million bags in 1949-50. Total Brazilian coffee exports declined from 8.1 million bags for the first 6 months of 1949 to 5.8 million bags for the first half of 1950. Foreign demand for Brazilian coffee improved noticeably during June and July of this year.

On June 1, 1950, the Bank of Brazil raised its loan rates on green coffee beans to 32.7 cents a pound for strictly soft Sao Paulo and South Minas coffee, 24.5 cents for Santos type 4 "soft" and coffee from Parana, Goias, and South and West Minas, and 20.4 cents for Rio coffee. This represents an increase of about 8 cents a pound on the finest quality coffee. The increase has lessened the pressure on producers to sell their coffee as soon as it is ready for market in order to meet production expenses and fixed charges. Other measures adopted by the Brazilian Government recently include a decision by the Bank of Brazil in May to permit exports of coffee to Poland, Sweden, the Netherlands, and France against payment in the currencies of these countries, and trade agreements with Germany, Italy, Argentina, Austria, and Czechoslovakia providing for the shipment of about 1.3 million bags of coffee from Brazil to these countries during the next year.

CUTLOOK FAVORABLE FOR 1950-51

GUATEMALAN COFFEE CROP

Present indications are that Guatemala's 1950-51 coffee crop will total around 1,150,000 bags, according to Douglas M. Crawford, Agricultural Attaché, American Embassy, Guatemala City. Higher coffee prices have caused domestic coffee consumption in Guatemala to decline to about 150,000 bags annually; therefore, the 1950-51 crop should supply close to 1,000,000 bags for export. The 1949-50 harvest now is estimated at 1,100,000 bags providing around 950,000 bags for export. This is considerably higher than early forecasts. Flood damage to some coffee trees last fall was offset by exceptionally good yields from undamaged trees.

Unusually heavy rainfall in May and June of this year have caused Guatemala's 1950-51 coffee crop to mature about 4 weeks earlier than usual. Generally, the lowland harvest starts in August and the highland harvest takes place from November to February. With an earlier maturing crop in prospect, a larger percentage of the highland coffee may be picked in October before the end of the regular rainy season, and difficulties in drying the coffee are expected. Some reports state that the rainy weather has caused leaf diseases to be more widespread this season than usual.

In the past few years most coffee planters have been taking much better care of coffee trees than at any other time during the last two decades, chiefly because of higher prices for coffee, which have permitted growers to invest more of their yearly returns in the improvement of coffee lands. At the present time, the labor force on coffee farms is

around 15 percent greater than in the prewar years. More careful cleaning and pruning are practiced, and non-productive trees are being replaced. Guatemalan coffee production has been fairly stable for the past 5 years. Observers believe that replantings with higher yielding varieties and improved cultural practices stimulated by high coffee prices will result in an increase of at least 10 percent in Guatemala's coffee production over the next 5 years.

LIVESTOCK AND ANIMAL PRODUCTS

AUSTRALIAN WOOL EXPORTS UP OVER LAST YEAR

Exports of raw wool from Australia for the marketing season ending June 30, 1950 totaled 1,211 million pounds (actual weight) compared to 1,121 million pounds for the year previous, an increase of 90 million pounds, according to the American Consulate General, Sydney. Of this total the United States received 130 million pounds in 1949-50 compared to 75 million pounds in 1948-49.

The United Kingdom was the destination of the largest portion of Australia's exports of greasy wool, with 378 million pounds. France received 143 million pounds, Belgium 121 million, Italy 67 million, Germany 53 million, Japan 55 million, Poland 37 million, and the Soviet Union 34 million.

Exports to the United Kingdom, United States, Belgium, Germany, Japan and Poland were greater but shipments to France, Italy and the Soviet Union were substantially less than in the 12 months ended June 30, 1949.

The value of all wool exports from Australia in the past marketing season was 314 million Australian pounds, an increase of 83 million Australian pounds, over the previous season.

COTTON AND OTHER FIBER

U.K. FLAX ACREAGE EXPECTED TO DECREASE

The preliminary estimate of flax acreage for 1950 in the United Kingdom is 39,300 acres compared with 46,800 acres in 1949. It also compares with a postwar low of 31,000 in 1948, a wartime high of 184,000 in 1944, and a prewar acreage of about 23,000 acres in 1939.

Northern Ireland exceeds other parts of the United Kingdom in flax production, with 22,300 acres of the total 1950 area and 29,800 acres of the total 1949 area. The wartime peak in Northern Ireland was 124,500 acres in 1944, and 21,200 acres were harvested in 1939.

Flax acreage in Wales is negligible. Acreage in Scotland is now less than 500 acres compared with a wartime peak of 8,800 acres in 1944 and only a negligible area in 1939.

In England flax plantings were reported at 17,000 acres in 1949 compared with 50,900 acres in 1944 and a negligible area in 1939.

Production of flax straw in 1949 was estimated at 20 million pounds in the United Kingdom, of which more than 13 million was produced in Northern Ireland and nearly 7 million pounds in England. Only a negligible quantity was reported in Scotland. Fiber in Northern Ireland last year was calculated at approximately one pound of fiber from 12 pounds of straw.

The British Board of Trade Flax Control terminated on March 31, 1949, as a result of relaxation of the control of requisition and usage of flax and the termination of government purchases of flax.

In Northern Ireland the 1949 crop was the first of three to be subsidized under a plan announced by the government at the instigation of flax spinners and growers. The purpose of the plan is to insure that the price to growers will give them a fair remuneration, that a reasonable basic acreage of flax be maintained in Northern Ireland, and that spinners may have some assurance of their requirements of Northern Ireland flax to maintain employment in the linen industry.

Prices for the 1950 flax crop in Northern Ireland have been fixed by the Ministry of Agriculture at 5 shillings per stone, or 5 cents per pound, less than for the 1949 crop. The prices quoted below for the 1950 crop include any subsidy payable under the Flax Act if the prices fixed for spinners are less than these prices. In 1949 the rate of subsidy made it possible for mills to obtain Grade I hand-scatched flax at the equivalent of 38.6 per pound (1£ is equal to \$2.80) compared with 46 cents per pound paid to the farmer.

NORTHERN IRELAND: Flax prices fixed for payment to farmers
for the 1950 crop

Grade	Hand-scatched	Turbine-scatched
	Cents per pound	Cents per pound
I.....	41.0	42.5
II.....	39.5	41.0
III.....	38.0	39.5
IV.....	36.5	38.0
V.....	35.0	36.5
VI.....	33.5	35.0

The Flax Spinner's Association of Northern Ireland has agreed to take a maximum of 3,000 long tons (6,720,000 pounds) of dam-retted flax on the basis of the equivalent of 25 cents per pound for Grade V fiber with other grades in proportion. This is about 3 cents lower than the corresponding prices paid last year and 10 cents lower than corresponding prices to farmers in Northern Ireland this year.

Imports of flax fiber into the United Kingdom for 1948 and 1949 show that imports from Belgium represented about 73 percent of the total in 1949 and 77 percent in 1948. Total imports in 1949 dropped about 9 percent from the preceding year and imports from Belgium dropped about 14 percent. The following table shows the imports in quantity and value by countries of origin.

UNITED KINGDOM: Flax fiber imports by countries of origin,
1948 and 1949

Countries of origin	Quantity		Value 1/	
	1948	1949	1948	1949
	Thousand pounds	Thousand pounds	Thousand dollars	Thousand dollars
Line fiber:				
Australia.....	740	-	273	-
New Zealand.....	430	630	170	265
Canada.....	650	570	262	230
Other British countries.....	200	80	74	23
Irish Republic.....	6,220	6,780	2,822	3,098
Netherlands.....	2,070	4,760	810	1,650
Belgium.....	43,590	37,360	22,065	16,437
Other countries.....	2,450	1,040	842	302
Total.....	56,350	51,220	27,318	22,005
Tow or codilla.....	7,750	14,770	1,387	3,106

1/ Converted at the rate of \$4.03 to the pound sterling, as effective prior to September 19, 1949.

Office of Foreign Agricultural Relations.

Flax exports from the United Kingdom consist mainly of manufactured textiles, but some fiber and tow are exported each year. Flax fiber and flax tow or codilla exported in 1949 slightly exceeded 5.6 million pounds compared with 7.4 million in the preceding year. ---By Cecille M. Protzman, based chiefly upon reports from the American Embassy, London, and the American Consulate General, Belfast.

**COTTON-PRICE QUOTATIONS
ON WORLD MARKETS**

The following table shows certain cotton-price quotations on foreign markets converted at current rates of exchange.

COTTON: Spot prices in certain foreign markets, U.S. gulf-port average, and taxes incident to exports

Market location, kind, and quality	Date	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound	Export Spot and quotations tation taxes
Alexandria		Kantar				
Ashmouni, Good.....	8-31	99.05 lbs.	Tallari	73.40	42.55	2.96
Ashmouni, FGF.....	"	"	"	(not quoted)		
Karnak, Good.....	"	"	"	87.75	50.87	2.96
Karnak, FGF.....	"	"	"	79.25	45.94	2.96
Bombay		Candy				
Jarila, Fine.....	"	784 lbs.	Rupee	1/ 620.00	16.50	5.32
Broach Vijay, Fine....	"	"	"	1/ 690.00	18.37	5.32
Karachi		Maund				
4F Punjab, SG, Fine....	8-30	82.28 lbs.	"	89.00	32.63	4.62
289F Sind, SG, Fine....	"	"	"	93.00	34.10	4.62
289F Punjab, SG, Fine..	"	"	"	96.00	35.20	4.62
Buenos Aires		Metric ton				
Type B.....	8-31	2204.6 lbs.	Peso	4450.00	2/	
Lima		Sp. quintal				
Tanguis, Type 3-1/2....	8-30	101.4 lbs.	Sol	(not quoted)		
Tanguis, Type 5.....	"	"	"	(not quoted)		
Pima, Type 1.....	"	"	"	(not quoted)		
Recife		Arroba				
Mata, Type 4.....	8-31	33.07 lbs.	Cruzeiro	270.00	44.42	5.40
Sertao, Type 5.....	"	"	"	(not available)		
Sertao, Type 4.....	"	"	"	285.00	46.89	5.70
Sao Paulo						
Sao Paulo, Type 5.....	"	"	"	276.00	45.41	2-1/2% ad valorem
Torreon		Sp. quintal				
Middling, 15/16".....	"	101.4 lbs.	Peso	285.00	32.52	4.13
Houston-Galveston-New						
Orleans av. Mid. 15/16":	"	Pound	Cent	XXXX	39.18	---

Quotations of foreign markets and taxes reported by cable from U.S. Foreign Service posts abroad. U.S. quotations from designated spot markets.

1/ Nominal.

2/ Exchange rate not available.

GRAINS, GRAIN PRODUCTS AND FEEDS

(Continued from Page 199)

**TURKEY REPORTS
RECORD GRAIN CROP**

The 1950 grain crop in Turkey is a record one, sharply above the small 1949 harvest, according to the latest estimate of the Ministry of Agriculture. A wheat crop of 175 million bushels was tentatively estimated, as harvesting was being completed in some important producing areas. A crop of that size would be about 80 percent larger than the small outturn last year and about 30 percent larger than the 1935-39 average of 135 million bushels.

Recent estimates are not quite up to the optimistic estimates issued earlier in the season, however, since rust damage is reported to have reduced yields in some districts. Latest prospects, however, were still for above-average yields of all small grains. Indicated yields of corn, in contrast, were below average.

The good outturn is attributed to a number of factors. Increased acreage played a part, but is credited with only a minor part in comparison with the more favorable weather conditions at seeding time and during the growing season. Better seed bed preparation also helped.

Production of barley, the second grain of importance in Turkey, is tentatively placed at 107 million bushels, compared with the small outturn of about 55 million bushels a year ago, and the 1935-39 average of 96 million. The outturn of oats is tentatively set at 22 million bushels, substantially above the 1949 crop and above average. The rye crop of 21 million bushels would be an all-time record and double the reported harvest for 1949.

The prospective corn crop is the only exception in the generally larger crops of the principal grains. Latest reports forecast that outturn at about 26 million bushels, slightly below the harvest of 28.5 million in 1949. The reduction is attributed to lower yield prospects, with acreage reported about 5 percent larger than in 1949. Despite the reduction from the 1949 figure, the crop would still be above average.

As reported in Foreign Crops and Markets, July 17, 1950, the Turkish Government's support price for grains of the 1950 crop is to be the same as for the past 2 seasons. The price for wheat is the equivalent of \$2.14 per bushel with quality bonuses up to 19 cents per bushel and early delivery bonuses up to 39 cents per bushel. Open market prices for wheat in mid-August, were virtually the same as the government's support price.

TURKEY: Grain acreage, yield per acre, and production, 1950 with comparisons

Year	Wheat	Rye	Barley	Oats	Corn
	1,000	1,000	1,000	1,000	1,000
	acres	acres	acres	acres	acres
<u>Acreage</u>					
Average 1935-39.....	8,973	939	4,592	636	1,098
1945.....	9,243	936	4,090	648	1,428
1946.....	9,246	988	4,016	644	1,260
1947.....	9,658	1,046	4,302	670	1,322
1948.....	9,884	1,070	4,670	690	1,272
1949.....	9,150	1,044	3,700	560	1,446
1950 1/.....	11,300	1,250	4,700	770	1,500
<u>Yield per acre</u>					
Average 1935-39	15.1	15.2	20.9	26.6	20.9
1945.....	8.7	9.5	10.5	12.9	8.1
1946.....	18.9	18.4	21.2	25.6	18.6
1947.....	13.5	14.3	15.9	18.1	15.8
1948.....	14.7	14.5	19.3	30.4	18.6
1949.....	10.4	10.9	14.9	21.4	20.0
1950 1/.....	15.5	16.8	22.8	28.5	17.3
<u>Production</u>					
	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels
Average 1935-39	135,690	14,301	96,129	16,893	22,971
1945.....	80,443	8,896	42,912	8,374	11,603
1946.....	175,000	18,200	85,000	16,500	23,419
1947.....	130,000	15,000	68,212	12,126	20,904
1948.....	145,000	15,500	90,000	21,000	23,621
1949.....	95,000	11,392	55,000	12,000	28,849
1950 1/.....	175,000	21,000	107,000	22,000	26,000
	:	:	:	:	:

1/ Preliminary estimates.

From official and unofficial sources.

Since covered grain storage facilities in Turkey have a total capacity of only about 16 million bushels, a substantial part of the expected government purchases of 25-30 million bushels during August-November 1950, would be piled and stored in the open, as is the usual practice. Losses of grain from open storage are said to be considerable, and handling charges are heavy because of the large amount of handling involved in sacking the grain as well as non-mechanized loading and unloading operations.

Existing port storage facilities at the principal ports are not up to requirements, and plans are under way for the eventual construction and equipping of handling facilities for an additional 5-6 million bushels. Plans include three modern elevators at the principal ports. At

Istanbul the capacity of the proposed elevator equipped for loading and unloading railway cars and sea-going vessels, would be over 1 million bushels. Those at Izmir and Iskenderum would have a capacity of about 750,000 bushels each. A number of small country elevators and steel sheds for undercover storage are planned also. Some of the latter may be completed in time for use during the current season. The port elevators are expected to require a minimum of 2 years for completion.

Normally, Turkey shows some net exports of wheat and barley, but the unusually small 1949 grain crop caused a reversal of that situation. Imports of wheat during 1949 were reported at about 12 million bushels, and a substantial movement continued in 1950. The United States exported 5 million bushels of wheat to Turkey during the 1949-50 marketing season. The large 1950 crop would be in excess of domestic requirements for the season. A considerable part of the surplus, however, is expected to be carried over to provide insurance against future crop shortages, according to reports. ---By Judith E. Downey, based in part upon reports from the American Embassy, Ankara.

RECORD GRAIN HARVEST REPORTED FOR MEXICO

Grain crops harvested in Mexico this year are the largest on record, according to a report from the American Embassy, Mexico, D.F. Corn, the most important grain crop, is forecast at 122 million bushels, compared with the 1949 crop of 90.5 million bushels and the 1935-39 average of 67.5 million. The corn acreage of about 9.9 million acres is moderately above the 1949 area, but shows an expansion of about one-third over the 1935-39 average. Per-acre yields are indicated to be well above average.

Growing conditions were reported very favorable for corn this season and the bulk of the summer crop had matured to a point that dryness after mid-August did not materially affect the prospects. Improved seed and cultural practices also contributed to the good yields.

Corn is an important part of the basic diet in Mexico, and about 85 percent of the crop is considered available for human consumption. Utilization for all purposes during the past 10 years averaged about 90 million bushels. Allowing for consumption to be a little above that general level this season, a crop of the size reported still would provide a surplus available for export.

Corn prices increased substantially during the season ended June 1950. Average wholesale prices in Mexico City were the equivalent of \$1.13 per bushel at the beginning of the season and \$1.35 per bushel for June 1950. Supplies have been reported short during the latter part of the marketing season, since the 1949 crop was below the level of recent years.

A record wheat harvest also is forecast, with an outturn of 20 million bushels in prospect. This compares with the previous record of 19 million bushels in 1931. The increase over the 1949 harvest of 17 million bushels is attributed to an increased area, especially in Sonora, and to higher yields throughout the country. The increase in area was facilitated by credit extended to growers and by the development of rust-resistant strains of summer wheats.

Wheat consumption in Mexico is increasing, largely at the expense of corn, as the average consumer develops a preference for white bread over the traditional tortilla. Wheat is by far the most important agricultural import into Mexico. Despite increased production in recent years, imported wheat has averaged more than half the domestic crop, imports averaging 9.5 million bushels for the past 10 years. Mexico's guaranteed purchases under the International Wheat Agreement are about 9 million bushels. Wheat prices increased steadily during the past year. Since June 1949 average wholesale prices of first quality wheat in Mexico City have increased from \$1.77 per bushel to \$2.14 per bushel.

Barley production is forecast at 7 million bushels, of which about 75 percent is feed-type barley and the remainder higher grade malting type. This is considerably above the 1935-39 average. Production of oats is placed at about 3 million bushels, a sharp increase over the 1935-39 average of about a half million bushels.

PERU'S RICE CROP SMALL

Peru's 1950 rice harvest is estimated at not more than 65 percent of the 1949 crop, according to Roy O. Westley, Agricultural Attaché, American Embassy, Lima. The larger producing areas may yield little more than 60 percent of the 1949 harvest, but good returns in other sections may boost the total production above early predictions. The 1949 crop of about 220 million pounds of milled rice was not sufficient for local consumption. Therefore, the small 1950 crop, caused by water shortages last December, January and February, presents another economic problem.

Rice has been imported and the Government has contracted for the 1950 crop which will be distributed by the Supply Division of the Ministry of Agriculture. Rice mills are operating late in August this year on account of the backward crop in the larger rice areas. While the harvest is nearing completion, the returns of milled rice from the late-planted fields are problematical. Estimates of milled rice production vary from 110 to 150 million pounds, but final figures will not be available until late in September, even though the normal crop year ends August 1.

Approximately 50 million pounds of rice reportedly were imported during 1950 as of August 1. It has also been reported that the local 1949 crop of rice has been exhausted for several weeks. If normal consumption of over 350 million pounds per year were maintained, it might be necessary for Peru to import up to 200 million before August 1, 1951.

Local markets are supplied with rice from the Government warehouses. In order to utilize the better grade of rice, called "Extra," hotels and restaurants have been required to use only this grade. The ordinary rice, called "Corriente" is cheaper and therefore used more commonly.

A recent survey of Lima markets disclosed that no "Extra" grade rice was available until August 15. This means that only the one grade may be purchased until the 1950 harvest is offered for sale. The quality of imported rice has been observed to be definitely lower than the grade "Extra" produced by local mills.

Peruvian laborers, particularly in the coastal areas, use large quantities of rice, so the market demand is good, even though there are adequate substitutes on the market.

BRAZILIAN RICE EXPORTS INVOLVE BARTER DEALS

According to reliable trade sources, Brazilian sales and negotiations for sale of the 1950 rice crop totaled around 270 million pounds as of August 23, all under barter agreements.

The following were reported as sales at Rio Grande do Sul, but not yet shipped (million pounds): (1) Japanese variety, United States firms for delivery to other countries, 40; Hong Kong, 22; United Kingdom (possibly for delivery to other countries) 44; Canada, unhulled, 2. (2) Blue Rose variety: Canada, unhulled, 7; Jamaica, 4; Germany, brown rice, 4; Belgium, 4; United Kingdom, shipped early in August, 22.

Sao Paulo rice sales to French Africa and Portugal were reported, totaling 42 and 11 million pounds, respectively. Between 55 and 65 million pounds more are being negotiated in these 2 States, of which around 20 million are to be shipped to Hong Kong.

MEXICO TO HARVEST RECORD RICE CROP

The official preliminary estimate of Mexico's 1950 rough rice crop is 500 million pounds which is 23 percent more than the record harvest of 1949, according to Stanley Bakewell, Assistant Agricultural Attaché, American Embassy, Mexico City, D.F. An increase in area of

some 25,000 acres was planted in Sinaloa where irrigation and land-clearing is underway. Current stocks on hand are low and domestic prices high because of sizable exports in 1949.

Despite the anticipated record 1950 production, exports are expected to be regulated closely in an effort to keep domestic prices down. Allowing a per-capita consumption of around 7 pounds, the exportable surplus available for shipment during the first half of 1950 may exceed 100 million pounds of milled rice.

ED Mexico's record exports in 1949 totaled 91 million pounds. During the January-June 1950 period approximately 38 million pounds were shipped to the following countries (million pounds): Japan, 22; French West Africa, 12; Union of South Africa, 2; and Venezuela, 2.

ECUADORAN RICE EXPORTS RISE IN 1950

Ecuador's rice exports during the first 6 months of 1950 totaled 72 million pounds, a sharp increase from the 15 million pounds during the corresponding period of the preceding year, according to A. H. Lester, American Consulate, Guayaquil. Exports during the period, consisting of most of the exportable balance of the 1949 crop, were much higher than usual because of the lag which occurred in marketing the 1949 crop.

ECUADOR: Rice exports by country of destination, January-June 1950 with comparisons

Country of destination	Average 1937-41		1948		1949 1/		January-June 1950	
	: Million pounds		: Million pounds		: Million pounds		: Million pounds	
	:	:	:	:	:	:	:	:
Cuba.....	2	12	25	1	1	1	0	0
Peru.....	13	0	10	0	0	0	40	40
Venezuela.....	6	49	12	14	7	7	21	21
Colombia.....	4	13	2	2/	0	0	0	0
Panama.....	2	4	7	0	0	0	1	1
Jamaica.....	0	7	0	3	0	0	5	5
Philippines....	0	0	45	41	0	0	0	0
India.....	0	38	0	0	0	0	0	0
Indonesia.....	0	0	15	6	6	6	0	0
Dominican Republic.....	0	5	5	0	0	0	0	0
Others.....	4	11	18	3	1	1	5	5
Total.....	31	139	139	68	15	15	72	72

1/ Preliminary. 2/ Less than 500,000 pounds.

Compiled from official sources.

The 1950 rice crop is proving to be substantially less than in 1949 because of a reduction in acreage and unfavorable weather. Production is forecast at 230 million pounds compared with the record harvest of 370 million pounds in the year before. Exportable supplies from the 1950 crop are estimated at around 100 million pounds in terms of milled rice.

THAILAND RICE EXPORTS
SLIGHTLY LARGER

Rice exports from Thailand during the first half of 1950 are estimated at 1,660 million pounds compared with approximately 1,600 million pounds during the corresponding period of the preceding year, according to R. Meyer of the American Embassy, Bangkok. The latest official data available showing countries of destination indicate that during the January-April period the principal countries were Japan, Malaya, and Hong Kong, taking 38, 18, and 11 percent of the total, respectively.

THAILAND: Exports of milled rice by country of destination,
January-April 1950 with comparisons

Country of destination	Average						January-April	
	1936-40		1947		1948		1949	
	Million pounds							
Borneo.....	7	57	23	1/	55	1/	11	
Ceylon.....	111	0	23		192		67	
China.....	71	278	484		173		2/	
Hong Kong.....	630	85	132		118		122	
India.....	77	69	365		692		2/	
Indonesia.....	26	96	173		299		33	
Japan.....	193	0	0		181		427	
Malaya.....	1,118	169	342		575		204	
Manchuria.....	24	0	0		0		0	
Philippines.....	52	39	132		83		14	
Belgium.....	64	0	0		3		2/	
Germany.....	62	0	0		0		2/	
Netherlands....	82	0	14		52		59	
United Kingdom..	75	0	10		58		41	
Africa.....	86	0	0		0		2/	
Cuba.....	176	0	0		0		2/	
Korea.....	0	0	43		0		2/	
Other countries:	66	54	49		61		138	
Total.....	2,920	847	1,790		2,542		1,116	

1/ North Borneo and Sarawak. 2/ If any, included in "Other countries."

Compiled from official sources and U. S. Foreign Service reports.